

ASSEMBLY BILL

No. 1069

Introduced by Assembly Member Dickinson

February 22, 2013

An act to amend Sections 3301, 3312, 3331, and 3332 of, and to repeal and add Section 3333 of, the Food and Agricultural Code, relating to expositions and fairs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1069, as introduced, Dickinson. California Exposition and State Fair.

Existing law provides for the California Exposition and State Fair as a separate, independent entity in the state government. Existing law provides that the governing body of the California Exposition and State Fair shall be an 11-member board of directors. Existing law requires the board of directors to appoint a general manager, and to submit an annual report to the Legislature and the Governor, as specified. Existing law establishes 4-year terms for each member of the board of directors, and requires vacancies that occur during the term to be filled by the appointing authority, as specified, for the remainder of the term. Existing law sets forth the board of directors' powers and duties, including, among others, the power to contract, and authorizes the board, with the approval of the Department of General Services, to purchase, acquire, or hold real or personal property. Existing law requires the board of directors to maintain an account at a financial institution to deposit funds received by the California Exposition and State Fair and specifies that all funds maintained in the account are continuously appropriated

to the board, without regard to fiscal year, for purposes relating to the California Exposition and State Fair.

This bill would require a director whose term has expired to continue to discharge his or her duties until a successor has been appointed. The bill would limit the costs and assessments of the California Exposition and State Fair to personnel costs and costs rendered pursuant to specified contracts entered into with other state agencies. The bill would revise the information the California Exposition and State Fair is required to report annually, and would require the information to be reported to the Governor only. The bill would require the California Exposition and State Fair's books and accounts to be examined and reviewed annually and audited once every 5 years, as specified. The bill would revise the board of directors' powers to appoint police to keep and preserve order and would require the board to delegate this power to officers and employees of the California Exposition and State Fair.

The bill would require the board of directors to develop, maintain, and comply with its own written policies and procedures for contracting, to publish competitive bidding procedures for contracts involving more than \$100,000. The bill would specify that the board of directors has an affirmative duty to achieve the most feasible and practicable level of participation by small business entities owned by socially and economically disadvantaged persons in its procurement programs. The bill would revise the powers of the board of directors and Department of General Services with respect to real and personal property, and would specify that title, control, and possession of all personal property acquired, held, managed, or operated by the California Exposition and State Fair vests with the California Exposition and State Fair. The bill would also specify that the proceeds of any lease, sale, or other agreement shall become the property of the California Exposition and State Fair and shall be available to the fair, as specified. By increasing moneys in a continuously appropriated fund, the bill would make an appropriation.

The bill would express various findings of the Legislature, and would revise a statement of the Legislature's intent regarding the California Exposition and State Fair.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The California Exposition and State Fair each year showcases
4 the best of the state's agricultural, manufacturing, and arts and
5 science innovations, highlights the entrepreneurial character of
6 our state's economy, lifestyle, and culture, and provides a gathering
7 place for all citizens of California to celebrate the rich history of
8 our state and to explore the trends shaping its future.

9 (b) The California Exposition and State Fair is located on a
10 350-acre portion of the 700-acre site in the area of the City of
11 Sacramento known as "Point West," and it has been in this location
12 for over 40 years. The Board of Directors of the California
13 Exposition and State Fair desires to modernize and update the
14 aging capital facilities of the fair to alleviate the higher operating
15 costs resulting from deferred maintenance and to improve public
16 accessibility to the property. New and improved facilities will help
17 increase attendance and expand the number and type of exposition
18 events, thereby increasing revenues.

19 (c) The annual budget of the California Exposition and State
20 Fair has been substantially below the amount necessary to maintain
21 the fair as a first-class entertainment facility, and the annual
22 shortfalls have caused a growing backlog of deferred maintenance
23 issues that are in excess of \$45 million.

24 (d) Therefore, it is the intent of the Legislature to provide the
25 management and the Board of Directors of the California
26 Exposition and State Fair the necessary tools to improve the
27 product, develop new revenue streams, streamline business
28 operations, and create and promote a strategy to help the California
29 Exposition and State Fair preserve and enhance this valuable state
30 asset by competing more favorably in the marketplace.

31 (e) When fully implemented, this legislation will create new
32 jobs and generate significant economic activity and state and local
33 tax revenues throughout the region, while additionally providing
34 a source of revenue for the long-term capital needs of the California
35 Exposition and State Fair.

36 SEC. 2. Section 3301 of the Food and Agricultural Code is
37 amended to read:

1 3301. It is the intent of the Legislature to vitalize the California
2 Exposition and State Fair ~~by creating a new as a separate,~~
3 *independent* entity in state government managed by a board of
4 directors with sufficient autonomy for efficient operation balanced
5 by appropriate state oversight. The board of directors shall develop
6 a policy ~~which~~ *that* provides managerial and fiscal responsibility
7 ~~and shall work towards a goal of in order to ensure~~ fiscal
8 independence from ~~state~~ General Fund support. The board of
9 directors shall ~~develop a policy which~~ *establish and maintain a*
10 *policy that* provides for an innovative ~~program including the~~
11 ~~concept of an,~~ agriculturally themed exposition ~~which would~~
12 ~~communicate the issues surrounding the production and marketing~~
13 ~~of food, fiber, and plant material to the general public and such~~
14 ~~other concepts as are feasible~~ *that celebrates California and the*
15 *diversity of its people. The California Exposition and State Fair*
16 *shall strive to showcase the state's industries and agriculture with*
17 *a program that recognizes California traditions and explores the*
18 *trends shaping its future.*

19 SEC. 3. Section 3312 of the Food and Agricultural Code is
20 amended to read:

21 3312. (a) The governing body of the California Exposition
22 and State Fair shall be an 11-member board of directors. The
23 directors shall be residents of California and shall be appointed as
24 follows:

25 (1) Nine directors shall be appointed by the Governor with the
26 consent of the Senate. The directors appointed by the Governor
27 shall have general knowledge of, interest in, and expertise in one
28 or more of the following areas: fair management, city or county
29 government, horseracing, the arts, exhibiting, the media, education,
30 youth, commerce and commercial products of the state, industry
31 and industrial products of the state, agricultural production and
32 forest industries, the entertainment industry, livestock and poultry,
33 sports, recreation, fisheries, oceanography, organized labor, and
34 finance and banking.

35 (A) Five of the directors appointed by the Governor shall be
36 knowledgeable in the production, processing, or marketing of
37 agricultural products and may be appointed from lists of nominees
38 submitted for consideration to the Governor from California
39 agricultural organizations, district agricultural associations, and
40 county and citrus fruit fairs.

1 (B) One of the directors appointed by the Governor shall be a
2 public member.

3 (C) Three of the directors appointed by the Governor shall be
4 representative, to the extent possible, of areas of knowledge,
5 interest, and expertise enumerated in paragraph (1).

6 (2) One director shall be appointed by the Speaker of the
7 Assembly and one director shall be appointed by the Senate
8 Committee on Rules. These persons shall be representative, to the
9 extent possible, of areas of knowledge, interest, and expertise
10 enumerated in paragraph (1).

11 (b) The directors shall be appointed for four-year terms. The
12 appointing authority shall appoint directors to fill vacancies ~~which~~
13 *that* occur during a term, and the appointments shall be for the
14 remainder of the unexpired term. ~~Of the four vacancies that will~~
15 ~~occur on December 31, 1986, two of the vacancies shall be filled~~
16 ~~by persons appointed pursuant to paragraph (2) of subdivision (a).~~

17 (c) *Notwithstanding Section 1774 of the Government Code or*
18 *any other law, every director appointed pursuant to this section*
19 *whose term has expired shall continue to discharge the duties of*
20 *his or her office until his or her successor has been duly appointed*
21 *and is qualified to serve.*

22 SEC. 4. Section 3331 of the Food and Agricultural Code is
23 amended to read:

24 3331. (a) (1) The board shall serve as the policymaking body
25 for the California Exposition and State Fair and shall have full
26 responsibility for the year-round management and operation of all
27 facilities of the California Exposition and State Fair *in accordance*
28 *with Sections 3301 and 3311.*

29 ~~The~~

30 (2) ~~The~~ board shall provide for an annual fair ~~in one or more~~
31 ~~seasonal divisions to be held in Sacramento County of and shall~~
32 *strive to showcase the agriculture and agricultural products of*
33 *the state, the industries and industrial products of the state, and*
34 *the commercial products exported and imported through the ports*
35 *of the state in accordance with Sections 3301 and 3311.* The fair
36 shall be designated, *and may be known, as the California State*
37 Fair.

38 (b) *Notwithstanding Article 2 (commencing with Section 11270)*
39 *of Chapter 3 of Part 1 of Division 3 of Title 2 of the Government*
40 *Code, relating to administrative costs, the California Exposition*

1 *and State Fair shall only be assessed and pay a share of those*
2 *costs directly related to personnel administration and no other*
3 *administrative costs for services from other state agencies except*
4 *costs for services rendered pursuant to specific contracts entered*
5 *into with other state agencies.*

6 *(c) On or before May 31 of each year, the general manager of*
7 *the California Exposition and State Fair shall report to the*
8 *Governor on all the events, operations, and financial condition of*
9 *the California Exposition and State Fair during the immediately*
10 *preceding calendar year ending December 31. The books and*
11 *accounts of the California Exposition and State Fair shall be*
12 *examined and reviewed annually and audited once every five years*
13 *by an independent registered certified public accountant or*
14 *certified public accountancy firm.*

15 SEC. 5. Section 3332 of the Food and Agricultural Code is
16 amended to read:

17 3332. The board may do any of the following:

18 (a) Contract: *in accordance with the following:*

19 (1) *The board shall develop, maintain, and comply with its own*
20 *written policies and procedures for contracting.*

21 (2) *Notwithstanding any other law, in developing the policies*
22 *and procedures referenced in paragraph (1), the board shall*
23 *incorporate the following to apply to contracts entered into or*
24 *procurement by the California Exposition and State Fair:*

25 (A) *To ensure the fullest competition, the board shall adopt and*
26 *publish competitive bidding procedures for the award of any*
27 *procurement or contract involving an expenditure of more than*
28 *one hundred thousand dollars (\$100,000). The competitive bidding*
29 *procedures shall include, but not be limited to, requirements for*
30 *submission of bids and accompanying documentation, guidelines*
31 *for the use of requests for proposals, invitations to bid, or other*
32 *methods of bidding, and a bid protest procedure. The general*
33 *manager of the California Exposition and State Fair shall*
34 *determine whether the goods or services subject to this*
35 *subparagraph are available through existing contracts or price*
36 *schedules of the Department of General Services. The Legislature*
37 *finds and declares that fairs are a valuable community resource*
38 *and recognizes that local businesses and local communities make*
39 *valuable contributions to fairs that include direct and indirect*
40 *support of fair programs. The Legislature further finds and*

1 *declares that local businesses often provide opportunity purchases*
2 *to local fairs that, for similar things available through the state*
3 *purchasing program, may be purchased locally at a price*
4 *equivalent to or less than that available through the state*
5 *purchasing program. As used in this subparagraph, “opportunity*
6 *purchases” means purchases made locally, either individually or*
7 *cooperatively, at a price equal to or less than the price available*
8 *through the state purchasing program on or off state contract.*

9 *(B) The contracting standards, procedures, and rules contained*
10 *in this subdivision shall also apply with respect to any subcontract*
11 *involving an expenditure of more than one hundred thousand*
12 *dollars (\$100,000). The board shall establish, as part of the bidding*
13 *procedures for general contracts, subcontracting guidelines that*
14 *implement this requirement.*

15 *(C) The board is subject to the Small Business Procurement*
16 *and Contract Act (Chapter 6.5 (commencing with Section 14835)*
17 *of Part 5.5 of Division 3 of Title 2 of the Government Code).*

18 *(D) In advertising or awarding any general contract for the*
19 *procurement of goods and services exceeding one hundred*
20 *thousand dollars (\$100,000), the board and the general manager*
21 *shall require all bidders or contractors, or both, to include specific*
22 *plans or arrangements to use subcontracts with small business*
23 *entities owned by socially and economically disadvantaged*
24 *persons. The subcontracting plans shall delineate the nature and*
25 *extent of the services to be used, and those entities or individuals*
26 *identified for subcontracting if known.*

27 *(E) (i) It is the intent of the Legislature in enacting amendments*
28 *to this section made by the act that added this subparagraph, to*
29 *establish as an objective of the utmost importance the advancement*
30 *of business opportunities for small business entities described in*
31 *subparagraph (D) in the business activities created by the*
32 *California Exposition and State Fair. In that regard, the board*
33 *shall have an affirmative duty to achieve the most feasible and*
34 *practicable level of participation by small business entities in its*
35 *procurement programs.*

36 *(ii) For purposes of this section, socially and economically*
37 *disadvantaged persons include women, Black Americans, Hispanic*
38 *Americans, Native Americans (including American Indians,*
39 *Eskimos, Aleuts, and Native Hawaiians), Asian-Pacific Americans*
40 *(including persons whose origins are from Japan, China, the*

1 *Philippines, Vietnam, Korea, Samoa, Guam, the United States*
2 *Trust Territories of the Pacific, Northern Marianas, Laos,*
3 *Cambodia, and Taiwan), and other minorities or any other natural*
4 *persons found by the board to be disadvantaged.*

5 (b) Accept funds or gifts of value from the United States or any
6 person to aid in carrying out the purposes of this part.

7 (c) Conduct or contract for programs, *and contract for the*
8 *purchase or lease of goods and services as are necessary for*
9 *effectuating the purposes of this chapter,* either independently or
10 in cooperation with any individual, public or private organization,
11 or federal, state, or local governmental agency.

12 (d) Establish and maintain a bank checking account or ~~a savings~~
13 ~~and loan association~~ *other financial institution* account, approved
14 by the Director of Finance in accordance with Sections 16506 and
15 16605 of the Government Code, for depositing funds received by
16 the California Exposition and State Fair. Notwithstanding Section
17 13340 of the Government Code, all funds maintained in an account
18 authorized by this subdivision are continuously appropriated to
19 the board, without regard to fiscal year, to carry out this part.

20 (e) ~~Establish~~ *Approve the annual budget of the fair, and establish*
21 a program for paying vendors who contract with the California
22 Exposition and State Fair.

23 (f) Make or adopt all necessary orders, rules, or regulations for
24 governing the activities of the California Exposition and State Fair.
25 Notwithstanding Section 14, any orders, rules, or regulations
26 adopted by the board are exempt from Chapter 3.5 (commencing
27 with Section 11340) of Part 1 of Division 3 of Title 2 of the
28 Government Code. For informational purposes only, however, any
29 order, rule, or regulation adopted by the board may be transmitted
30 to the Office of Administrative Law for filing with the Secretary
31 of State pursuant to Section 11343 of the Government Code.

32 (g) Delegate to the officers and employees of the California
33 Exposition and State Fair the *independent* authority to appoint
34 civil service personnel according to state civil service procedures.
35 The board may also delegate to officers and employees of the
36 California Exposition and State Fair the independent authority to
37 appoint ~~marshals and~~ police as authorized by subdivision (j).

38 (h) Operate a payroll system for paying employees, and a system
39 for accounting for vacation and sick leave credits of employees.

1 (i) Delegate to the officers and employees of the California
2 Exposition and State Fair the exercise of powers vested in the
3 board as the board may deem desirable for the orderly management
4 and operation of the California Exposition and State Fair.

5 (j) ~~Appoint all necessary marshals and~~ *Delegate to the officers*
6 *and employees of the California Exposition and State Fair the*
7 *independent authority to appoint all necessary* police to keep order
8 and preserve peace at the California Exposition and State Fair
9 premises on a year-round basis who shall have the powers of peace
10 officers specified in Section 830.2 of the Penal Code. A peace
11 officer of the Department of the California Highway Patrol may
12 be employed as a peace officer while off duty from his or her
13 regular employment, subject to those conditions as may be set
14 forth by the Commissioner of the Department of the California
15 Highway Patrol. At least 75 percent of the persons appointed
16 pursuant to this subdivision shall possess the basic certificate issued
17 by the Commission on Peace Officers Standards and Training. The
18 remaining 25 percent may be appointed if the person has completed
19 a Peace Officer Standards and Training-certified academy, or
20 possesses a Level One Reserve Certificate (as defined in Section
21 832.6 of the Penal Code). Of this 25 percent, any portion may be
22 comprised of probation officers certified under Section 832.
23 Nothing in this subdivision shall be construed to give probation
24 officers appointed pursuant to this subdivision peace officer powers
25 pursuant to Section 830.2 of the Penal Code.

26 (k) ~~With~~ *Except as provided in subdivision (m), with the*
27 approval of the Department of General Services, purchase, acquire,
28 ~~or hold real or personal property, and beautify or improve that~~
29 *hold, sell, exchange, or convey any interest in real property.* Any
30 acquisition of land or other real property is subject to the approval
31 of the Department of General Services, and in the case of the
32 purchase of real property, is subject to the Property Acquisition
33 Law (Part 11 (commencing with Section 15850) of Division 3 of
34 Title 2 of the Government Code). *Notwithstanding any other law,*
35 *the proceeds of any lease, sale, or other agreement pursuant to*
36 *this part shall become the property of the California Exposition*
37 *and State Fair and shall be available to the fair for any of the*
38 *purposes of this part.*

39 (l) ~~With the approval of the Department of General Services,~~
40 ~~make~~ *Make* permanent improvements upon publicly owned real

1 property adjacent to, or near the vicinity of, the real property of
2 the California Exposition and State Fair when the improvements
3 materially benefit the property of the California Exposition and
4 State Fair.

5 (m) ~~Lease, with the approval of the Department of General~~
6 ~~Services, any, let, or grant licenses for use of its property for any~~
7 ~~purpose for any period of time. Any lease of real property for a~~
8 ~~period in excess of 20 years shall be subject to the approval of the~~
9 ~~Department of General Services.~~

10 (n) Use or manage any of its property, ~~with the approval of the~~
11 ~~Department of General Services,~~ jointly or in connection with any
12 lessee or sublessee, for any purpose approved by the board.

13 (o) With the approval of the Department of General Services,
14 pledge any and all revenues, moneys, accounts, accounts
15 receivable, contract rights, and other rights to payment of whatever
16 kind, pursuant to such terms and conditions as are approved by
17 the board. Any issuance of bonds, contracts entered into, debts
18 incurred, settlements, judgments, or liens under this section or
19 pursuant to Chapter 5 (commencing with Section 6500) of Division
20 7 of Title 1 of the Government Code, shall not directly, indirectly,
21 or contingently obligate the state or any political subdivision
22 thereof to levy or to pledge any form of taxation therefor or to
23 make any appropriation for their payment. Any such bond shall
24 contain on the face thereof a statement to the following effect:
25 “Neither the full faith and credit nor the taxing power of the State
26 of California is pledged to the payment of the principal of, or
27 interest on this bond.”

28 SEC. 6. Section 3333 of the Food and Agricultural Code is
29 repealed.

30 ~~3333. The board shall submit a report to the Legislature and~~
31 ~~Governor on or before May 31st of each year with respect to the~~
32 ~~financial condition, present operations, and future planned activities~~
33 ~~of the California Exposition and State Fair.~~

34 SEC. 7. Section 3333 is added to the Food and Agricultural
35 Code, to read:

36 3333. Notwithstanding Section 14660.5 of the Government
37 Code, the title, control, and possession of all personal property
38 acquired, held, managed, or operated by the California Exposition
39 and State Fair, including property controlled or possessed by the

1 fair before the enactment of this section, vests with the California
2 Exposition and State Fair.

3 SEC. 8. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety within
5 the meaning of Article IV of the Constitution and shall go into
6 immediate effect. The facts constituting the necessity are:

7 In order to restore the viability of the California Exposition and
8 State Fair as soon as possible, it is necessary that this act take effect
9 immediately.

O